

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2485 – SB 2508

March 5, 2010

SUMMARY OF AMENDMENT (014161): Deletes all language after the enacting clause. Authorizes TRICOR to sell as surplus property TRICOR equipment and raw materials to businesses, government, non-profit organizations, or by public auction. States that it is the intent of the General Assembly that TRICOR has as part of its mission to offset the costs of incarceration by generating revenue through the sale of products in lieu of state appropriated funds.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – Exceeds \$6,000/TRICOR

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

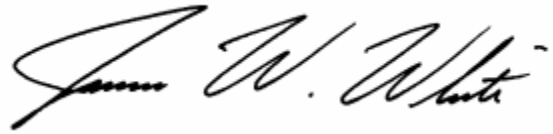
Assumptions applied to amendment:

- According to the Department of General Services (DGS), the total revenue generated for TRICOR surplus sales for the last two years was \$8,531 for 52 individual line items. When items are sold for less than \$500 by DGS for other agencies, DGS retains the revenue generated. For items over \$500, DGS and the releasing agency split the revenue generated. The releasing agency retains 85 percent and DGS retains the remaining 15 percent. Only two of the 52 items sold were over \$500. TRICOR received \$2,108 of \$2,480 for items sold over \$500. TRICOR will continue to use DGS to sell surplus property except in circumstances that are time sensitive or limited to a specific market.

- TRICOR will be able to dispose of raw materials, such as fabric for uniforms, immediately when the need exists rather than using the existing DGS procedure. As a result, TRICOR estimates generating additional revenue from the sale of raw materials of \$6,000 to \$10,000 annually.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a more stylized, connected manner to the middle initial "W." and the last name "White".

James W. White, Executive Director

/lsc